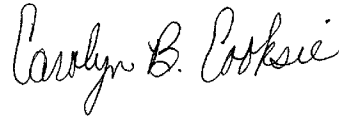


For: State and County Offices

Equitable Treatment in Processing Loan Applications

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

One of the performance indicators in the Administrator's Annual Civil Rights Performance Plan is that a concerted effort is made to eliminate the differences in loan processing times between socially disadvantaged applicants (SDA) and non-SDA's.

FLP monitors the timeliness of processing loan applications through yearly performance goals based on:

- previous year's accomplishments
- statutory and regulatory processing timeframes.

B

Purpose

This notice:

- emphasizes the importance of processing loan applications in a timely manner
- requires a review process for rejected and withdrawn SDA loan applications.

C

Contact

If there are questions about this notice, State Offices shall contact Kathleen Miller or Ann Smith, LMD, at 202-720-1472.

Disposal Date

November 1, 2000

Distribution

State Offices; State Offices relay to County Offices

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2 Action

A County Office Action

Farm Loan Managers and other loan officials shall:

- process all loan applications, according to statutory and regulatory timeframes, and established performance goals
- adhere to statutory timeframes for notifying all applicants of any additional information required for a complete loan application
- notify all applicants of eligibility or ineligibility, according to Agency regulations
- approve or disapprove all loan applications in a timely manner
- for direct loan applications, enter reason why, if a decision has not been made within 45 calendar days of receiving a complete application, and if necessary, an explanation in Management Records System (MRS) or Management of Agricultural Credit (MAC), when it is implemented
- for guaranteed applications, enter reason why, if a decision has not been made within 45 calendar days of receiving a complete application, and if necessary, an explanation in the Guaranteed Loan System (GLS) or MAC

Note: “Reason/explanation” fields and “over 45 day” reports are available in GLS.

- use MRS or MAC as the official loan application data record for all direct applications.
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B Designated Review Officials Action

Officials designated by SED’s to review rejected or withdrawn SDA applications shall:

- review at least 50 percent of the rejected or withdrawn SDA loan applications, for each quarter, in each office of their jurisdiction
 - if any improper rejections or withdrawals are found, review all rejected and withdrawn SDA loan applications in the approval official’s coverage area
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2 Action (Continued)

B

Designated Review Officials Action (Continued)

- notify SED's of any problems detected
 - with the advice of the Farm Loan Chief (FLC), take action on improperly rejected and withdrawn loan applications to correct any errors
 - recommend appropriate personnel actions to SED's, such as training or revocation of loan approval authority, for the approval officials responsible for rejections or withdrawals that appear to reflect a pattern or practice of discrimination against SDA applicants
 - review the reasons and explanations why decisions have not been made, in a timely manner, on complete loan applications.
-

C

FLC Action

FLC's shall:

- monitor loan applications processing timeframes, MRS data entry, GLS data entry, or MAC, and performance goal accomplishments using FOCUS and Executive Information System (EIS) reports
- Note:** Access the reports from the EIS main menu under "MISC APPLICATIONS," and select "Dir App Race & Gender" or "Guar In Race and Gndr." These reports will include average processing times for both SDA's and non-SDA's. Both "average days received to complete" and "average days complete to final disposition" should be monitored on EIS reports.
- provide FOCUS and EIS reports on loan application processing timeframes to SED's
 - provide technical advice and direction for corrective actions on improperly rejected or withdrawn loan applications.
-

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2 Action (Continued)

D

SED Action

SED's shall:

- be accountable for SDA loan application processing in the State, including ensuring designated review officials conduct reviews and take corrective action in a timely manner
 - emphasize the importance of timely loan application processing for all applicants
 - ensure loan applications:
 - processing data is monitored through EIS, FOCUS, or other systems are being processed in a timely manner and equitably in the State
 - manage staff resources appropriately to minimize loan application processing delays
 - when necessary, initiate or monitor appropriate personnel actions recommended by the designated review official
 - review the reports on loan application processing problems submitted by the designated review officials and FLC reports on both SDA and non-SDA average loan application processing timeframes
 - submit a FY 2000 summary report of affected cases, findings, corrective action, and results, by October 29, 2000, to DAFLP.
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E

**National Office
Action**

The National Office shall:

- compare average application processing timeframes against each States' established baseline average for SDA and non-SDA
 - compare rejection rates
 - amend 2-FLP to address the review process for guaranteed SDA applications.
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